

STATE RAIL CAPACITY AND SYSTEM NEEDS STUDY

Stakeholder Outreach & Regional Listening Sessions Report

Presented to the



Washington State Transportation
Commission



| BERK & ASSOCIATES |

June 13, 2006

Presentation Overview

1. Stakeholder Outreach & Communication Tasks

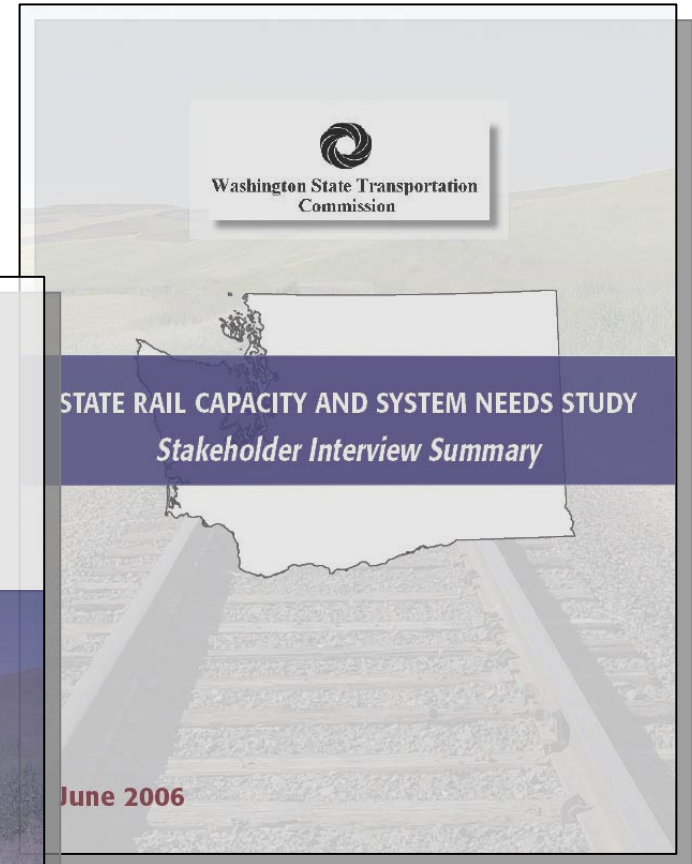
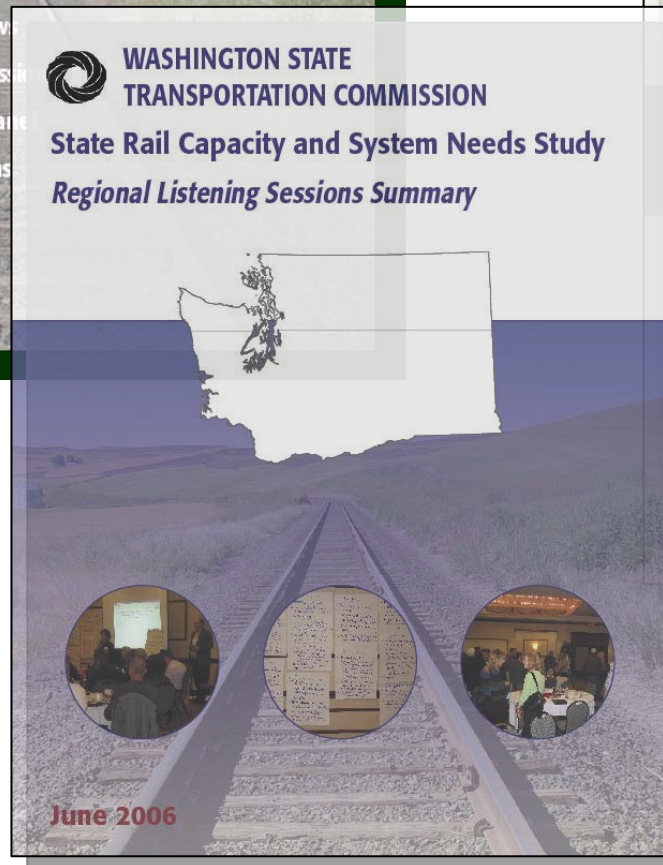
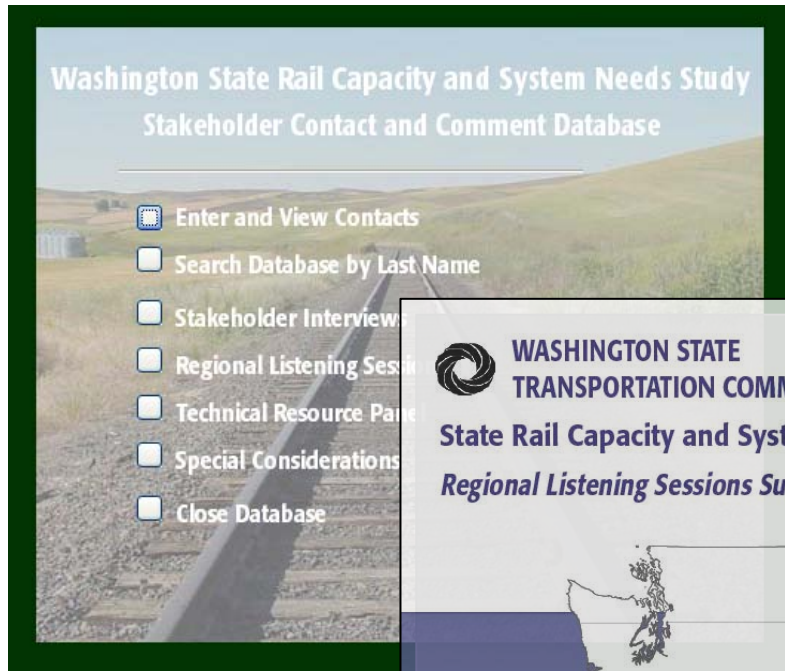
- Contact Database
- Stakeholder Interviews
- Regional Listening Sessions
- Technical Resource Panel
- Ongoing Website updates

2. Summary of Findings

- Statewide
- By Regional Listening Session

3. Current Activities & Next Steps

Communications & Outreach Products



Stakeholder Contact Database Assembled

- Compiled 2,000+ Stakeholder contacts – Statewide
- Obtained contacts from WSDOT, WPPA, AWC, Legislature, local Chambers and the Ports
- Developed Microsoft Access database
- Cleaned and organized database with current information
- Using database to communicate broadly and track involvement in the project



Stakeholder Interviews Conducted

- **Telephone interviews conducted February – May 2006**
- **43 interviews conducted**
- **Mix of ports, cities, RTPOs, transit, business, labor & associations were interviewed**
- **Shippers & producers were separately interviewed by Starboard Alliance, as part of logistics/supply chain analysis**

Questions asked:

1. What is currently working well with the State's rail system, and what are the most important rail issues, problems, or concerns in the State right now?
2. What are the State's major strategic opportunities regarding the rail system?
3. What is the appropriate State role in addressing these rail issues?
4. What would constitute a successful outcome for this project, from your perspective?
5. Who else should we be talking to about this project?

Stakeholder Interview Findings

Comments Mirror Listening Session perspectives—Congruent Findings

- Growth & capacity challenges—“Perfect storm” of increased demand
- Lack of reliability caused by congestion, equipment shortages
- Need to “squeeze more capacity” out of the existing system
- Railroad mergers & changing business models—result is structural change
- Many specific improvement needs identified; WPPA Rail Study was frequently referenced

Passenger Rail Challenges Identified



- Questions about status of passenger rail system—at capacity?
- Many different perspectives—from add service/increase speed to phase out service
- Significant concern about cost/benefit of this service
- Concern about impacts on freight rail system

The State’s Role Needs Definition

- Stakeholders looking to the State for many things
- Concerns about where & how the State is spending money
- Need to define State benefits
- Need for clear policies, priorities and criteria for making trade-offs
- Coordination with railroads & federal government requested
- Desire for actionable plans & policies

Regional Listening Sessions

- 5 Sessions were held in April – May
- Purpose: Share information about the study, and obtain broad, inclusive input on needs, issues, concerns
- Statewide effort
 - Vancouver
 - Puget Sound (Seattle)
 - Spokane
 - Tri-Cities (Pasco)
 - Central Washington (Quincy)

**Washington State Transportation Commission**

INVITATION

STATE RAIL CAPACITY AND SYSTEM NEEDS STUDY

Regional Listening Sessions

You are invited to participate in the Washington State Rail Capacity and System Needs Study sponsored by the Washington Transportation Commission (WTC). Your input is crucial to the development of a successful plan. The WTC is convening five regional listening sessions across Washington to solicit stakeholder input on freight and passenger rail issues and needs.

- What are the most important rail issues in the state right now? What are the most important issues in your community?
- What are the State's major strategic opportunities regarding the rail system?
- The most important thing the State could do for the rail system is...

Please come to the listening session most convenient for you:

PUGET SOUND
April 20, 9:30 am to 12 pm
PSRC, 1011 Western Ave, Suite 500
Seattle, WA 98104

CENTRAL WASHINGTON
Sponsored by Grant County EDC,
Ports of Quincy & Moses Lake
& Central Washington Alliance for
Rail Freight Transportation
May 1, 1:30 pm to 4 pm
Quincy City Hall, 104 B St SW
Quincy, WA 98848


SPOKANE
Sponsored by Spokane Chamber
of Commerce
April 25, 9:30 am to 12 pm
Spokane Double Tree,
322 N Spokane Falls Court
Spokane, WA 99201

VANCOUVER
Sponsored by the Ports of Vancouver &
Ridgefield & Southwest Washington RTC
April 13, 9:30 am to 12 pm
Port of Vancouver, 3103 NW Lower River Road
Vancouver, WA 98660-1027

TRI-CITIES
Sponsored by Tri-Ports, TRI/DEC &
Benton-Franklin COG
April 26, 9:30 am to 12 pm
Red Lion Pasco, 2525 N. 20th Avenue
Pasco, WA 99301

The WTC is committed to obtaining to your feedback; there will also be updates and opportunities to comment throughout the project. For more information about the Rail Study and for a project schedule please visit: <http://www.wstc.wa.gov/rail/>

Or contact:
Reema Griffith, Administrator, Washington State Transportation Commission: 360.705.7070, GriffiR@wstc.wa.gov
Barbara Ivanov, Director, Freight Strategy and Policy, WSDOT: IvanovB@wsdot.wa.gov



Regional Listening Sessions

Local Sponsors were Enlisted

- Port of Vancouver, Port of Ridgefield, South Washington RTC
- PSRC
- Spokane Chamber of Commerce
- Tri-Ports, TRIDEC, Benton-Franklin COG
- Grant County EDC, Port of Quincy, Port of Moses Lake, Central Washington Alliance for Rail Freight Transportation

Diverse Mix of Attendees

- 285 stakeholders total
- More than 180 organizations represented
- 60-80 people at most sessions
- Good representation of elected officials:
 - Ports
 - Cities and Counties
 - State Legislators
 - Congressional

Stakeholder Type	Attendees
Company	60
Port	42
Association	27
City	25
State	22
County	18
Legislature	16
No Affiliation	14
Labor	13
Class 1 Railroad	12
Short-line Railroad	11
MPO/RTPO	10
U.S. Congress	8
Education	5
Media	2
Transit Agency	2
U.S. Agency	2
Tribal	1
Military	1

Regional Listening Sessions

Meeting Design & Format

- Facilitated small group discussions
- Randomly formed groups resulted in diversity of backgrounds
- Many attendees reported learning from the sessions
- Media coverage at most Sessions
- Commissioner attendance was helpful & important

Stakeholder Input

- Meetings had lively and content rich conversation, captured by meeting notes
- Written comments were also submitted
- Comments were submitted via the project website
- All comments are in the Report



WASHINGTON STATE TRANSPORTATION COMMISSION

Statewide Rail Capacity and Needs Study Puget Sound Regional Listening Session

Puget Sound Regional Council
1011 Western Ave, Suite 500
April 20, 2006, 9:30 am - noon

AGENDA

Meeting Objectives

- *Share information with stakeholders about the Rail Study's scope, issues and schedule*
- *Obtain broad, inclusive input and perspectives on statewide rail system needs, challenges and opportunities now and in the future*
- *Facilitate dialogue among diverse stakeholders about strategic, institutional, and operational considerations for developing statewide freight and passenger rail policies and investment plans*

9:30 Welcome, Study Purpose and Meeting Objectives

- Welcome, Study Purpose, and Opening Remarks Commissioner Dick Ford
- Overview of Project Schedule, Today's Meeting Purpose & Goals Bonnie Berk

10:00 Charge to All for Small Group Discussions

B. Berk

- Process for breaking into discussion groups
- Review discussion questions and reporting out process

10:05 Group Discussion of Key Questions

1. **What are the most important rail issues and challenges in the State right now?**
 - A. For the Class 1 freight rail system
 - B. For the short-line rail system
 - C. For the state's passenger rail system
2. **What are the State's major strategic opportunities for the rail system today?**
3. **Given trends in market demand, trade and logistics technologies – what issues should be considered in planning for the future of the State's rail system?**
4. **What would constitute a successful outcome for the Rail Study?**
5. **Summary: What are the key, most important issues your group identified?**

10:55 Break

11:10 Reporting Out to the Full Group, Table by Table

- Q & A

11:50 Summary of the Meeting and Next Steps

12:00 Adjourn

Summary of Listening Session Comments— Statewide

- In general: similar issues identified in all 5 sessions
- Biggest issues: Capacity, Changing Business Models, Operational Problems
 - Growth of imports, grain shipments & market for coal combine to create capacity problems
 - A multitude of causes constrain rail system throughput
 - Insufficient trackage and sidings
 - Shortages of rail cars and equipment
 - Staffing shortages
 - Operational choices
 - Accidents/emergencies (and lack of by-pass routing capacity)
 - Certain locations as bottlenecks
 - Class 1 railroad reliability and customer service is key issue
 - Changing railroad business models
 - Long-haul unit trains replacing carload service; less train-building
 - Concerns about access to rail at local & regional levels
 - Don't want to be a “pass-through” state
 - Many specific suggestions for operational and system improvements; many require significant investment

Statewide Findings (continued)

- **Business Climate Issues**
 - Working effectively with the railroads is a need
 - Streamline permitting (at local and State level)
 - Greater responsiveness from Class 1 railroads
 - Improved communication—forums, “tables to meet & discuss” issues
 - Preservation of industrial land, existing infrastructure, and right-of-ways identified
- **Rail in the Context of the Whole Transportation System**
 - Balance passenger and freight rail needs
 - Passenger rail is experiencing the same challenges as freight
 - Consider environmental benefits of rail when making tradeoff decisions
 - Washington’s problems are similar to those of other states—coordinate across states
- **Public-Private Partnerships**
 - Much discussed, different meaning for different stakeholders
 - Could provide a framework for investments
 - Desire for State to receive “quid pro quo” for investments

Statewide Findings (continued)

- Short-line Railroad Issues were a Focus
 - Shipper/RR concern about access to the mainline
 - Maintenance & investment needs identified—some interest in State funding for these
 - Others said State should be cautious about investing in and operating short-lines
- Need to Define the State's Role and Develop Clear Policies
 - Stakeholders feel there is insufficient clarity in State's role and positions
 - Freight rail mobility and capacity is an economic development issue
 - Believe the State should take a leadership role in the rail industry
 - Coordinate with other states & the federal government
 - Represent State interest with Class railroads
 - Make needed investment
 - Need clear investment framework & policies
 - Need to obtain return on investments
- Communication and Outreach is Needed
 - Education is needed about the rail system
 - Forums for communications would be helpful

High-Level Findings by Listening Session

Vancouver

- Investing in rail is an investment in economic growth
- Intergovernmental coordination is needed
- New, dedicated funding sources should be identified for public investments in rail
- Specific problems include:
 - Access to the Port of Vancouver from the North
 - The Port of Vancouver bypass
 - Grade crossings at the Port of Ridgefield
 - Lyle siding
 - Stampede Pass congestion

Puget Sound

- Consider environmental benefits of rail
- Puget Sound Ports have specific needs and concerns
- Preservation of industrial land and rail right-of-way is critical
- Public support will be needed to find solutions for capacity problems; raising the level of awareness of rail issues among the public will be necessary
- There are many ways the State can act as Coordinator and Facilitator
 - Coordinate rail projects & investments both in-state and regionally
 - Facilitate cooperation between railroads, in particular with operational coordination
 - Ombudsman or regulatory clearing house for local permitting

High-Level Findings by Listening Session (cont)

Spokane

- Demand for rail service is increasing
- Access to the mainline rail system is becoming more difficult
- Short-lines have difficulty maintaining their infrastructure
- With more convenient service, demand for passenger rail would increase
- Bridging the Valley is an example of a successful project
- Customer service and communication with Class 1 railroads is a challenge

Tri-Cities

- Access to mainline service—trains come through but don't stop
- Communication with Class 1 Railroads is a challenge
- State role as facilitator would be welcome
- Include the Columbia and Snake river systems in the Plan
- Consider transloading centers
- Address the bottleneck at Stampede Pass

Central Washington

- Discussion of the potential from Port of Quincy's intermodal facility
- Intergovernmental coordination
- Shippers are experiencing reliability challenges
- What is the State's role in the future of short-lines and their challenges
- Legislative support will be key

Current Activities:

Technical Review Panel Invitations Extended



STATE OF WASHINGTON TRANSPORTATION COMMISSION

Transportation Building, PO Box 47308, Olympia, Washington 98504-7308 • (360) 705-7070
Fax: (360) 705-6802 • E-Mail: transc@wsta.wa.gov • <http://www.wsta.wa.gov/commission>

RE: Technical Resource Panel for WSTC's Statewide Rail Capacity and System Need's Study

You are already aware of the Washington State Transportation Commission's Statewide Rail Capacity and Needs Study. To ensure the study is as comprehensive as possible and to guard against significant errors or omissions we are establishing a group of technical experts to provide key input to the Study. We are calling it the Technical Resource Panel (TRP). I invite you to participate as a member of the TRP.

The Commission was instructed by the Legislature to "...assess the rail freight and rail passenger needs in this State...[and] recommend public policies for state participation and ownership in rail infrastructure and service delivery, including but not limited to planning and governance issues..." As a member of the Technical Resource Panel, we are asking you to help us meet this mandate.

We expect the Technical Resource Panel will be comprised of approximately 60 individuals and organizational representatives who possess critical technical, "on-the-ground" knowledge of the State rail system. Panel members are rail shippers and receivers, freight and passenger rail carriers, associations of rail users, organized labor, ports, government agencies, the military, truckers and academics.

We hope to draw on your expertise to ensure that the Study presents an accurate reflection of conditions in the system as you understand them.

If you agree to participate as a member of the Technical Resource Panel we will ask you to participate in the following ways:

- **Review each of the Study deliverables:** two interim reports and a draft final report. Upon release of the interim reports and draft final report, the Consultant Team will provide you with the reports as well as key questions to contemplate when reviewing. We will then ask you to provide your comments to the Study consultant team. You will be provided with a list of key consultant team and Commission contacts.
- **Participate in one-on-one or small group meetings and/or conference calls** to discuss the specific aspects of the Study, on an as-needed basis. The consultant team may want to discuss technical issues and policy questions with you to ensure that the technical material and analysis in the report is based on accurate information and takes into account the varied perspectives of knowledgeable stakeholders. These meetings and phone calls will be arranged at your convenience.
- **Proactively offer comments to the Study Team.** I encourage you to engage in dialogue with the consultant Study team so that your concerns and input can become part of the Study process. Send any of us e-mails or give us a call.

I hope you will accept our invitation to be a part of this Study. To accept this invitation or inquire further about timing, process, or the Study generally, please contact Meghann Glavin at Berk & Associates (206.324.8760, WdRatStudy@berkandassociates.com).

Sincerely,

Dan O'Neal, Chairman
Washington State Transportation Commission

Producers and Suppliers

Don Frey, Rabanco Allied Waste Industry
Chris Brauner, Boeing
Frank Sims, Cargill
Lonnie Yates, Exel
Michelle Damon, JR Simplot
Kari Flesner, Home Depot
Carol Baltazar Rowan, Husky Terminal & Stevedoring, Inc.

Ivan Olson, Longview Fibre Company
Paul Bergant, JB Hunt
Peter Bennett, "K" Line America, Inc.
Steve Oakes, Kalama Export Company LLC
Kevin Jones, Kinder Morgan
JC Evans, Maersk Line
Kevin May, Mitco Warehouse
Gary Cardwell, Northwest Container Services, Inc
Doug Jellison, Nucor Steel Seattle, Inc.
Ron Kieswether, Oak Harbor Freight Lines, Inc.
John Anderson, Ritzville Warehouse Co.
Ray Tennison, Simpson Investment Company
Jerry McDonald, United Parcel Service
Dale King, Weyerhaeuser Company

Railroads

Kurt Laird, Amtrak
Andrew Johnsen, Burlington Northern Santa Fe
Brig Temple, Columbia Basin Railroad
Tom Paul, RailAmerica, Inc.
Paula Henry, Tacoma Rail
Randy Peterson, Tri-City & Olympia Railroad Company
John Gray, Union Pacific

Transit Agencies

Agnes Govern, Sound Transit

Military

John Seaton, U.S. Army

Academics

Jess Browning, University of Washington
Anne Goodchild, University of Washington TransNow
Ken Casavant, Washington State University

Associations

Tom Till, Discovery Institute
Terry Brewer, Grant County Economic Development Council
Harold Douglass, International Longshore and Warehouse Union
Dave Carlson, Washington Apple Commission
Lloyd Flem, Washington Association of Rail Passengers
Paul Vanderstoep, Washington Perishable Shippers Cooperative Association
Pat Jones, Washington Public Ports Association
Mark Ricci, Washington State Rail Labor Coalition
Dan Gatchet, Washington Trucking Association
Charles Pomianek, Wenatchee Valley Traffic Association

Ports

Gary Nelson, Port of Grays Harbor
Jim Toomey, Port of Pasco
Christine Wolf, Port of Seattle
Jeannie Beckett, Port of Tacoma
Larry Paulson, Port of Vancouver
Jim Kuntz, Port of Walla Walla

Cities/Counties

Mark Asmundson, Bellingham
Ron Borowski, Seattle, Department of Transportation
Two Additional Members (Names to be provided by Association of Washington Cities)
Two Additional Members (Names to be provided by Washington Association of Counties)

State/Regional Governments

Mark Kushner, Benton-Franklin Council of Governments
Peter Beaulieu, Puget Sound Regional Council
Glenn Miles, Spokane Regional Transportation Council
Andrea Riniker, Office of Governor Gregoire, Container Ports Initiative
Jim Miller, Whatcom Council of Governments

Next Steps

- Continue posting project materials on website
- Continue stakeholder interviews—State Legislator focus
- Obtain Comments
 - Technical Resource Panel
 - Website submittals
- Use WTSC's website to share information and obtain broad-based input